

**Children's Services Council
of St. Lucie County**

ANNUAL FINANCIAL REPORT

September 30, 2021

**Children's Services Council of St. Lucie County
ANNUAL FINANCIAL REPORT**

September 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-13
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – General Fund	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual	20
Notes to Financial Statements	21-38
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan	39
Schedule of Employer Contributions – Florida Retirement System Pension Plan	40
Schedule of Employer Proportionate Share of Net Pension Liability – Health Insurance Subsidy Pension Plan	41
Schedule of Employer Contributions – Health Insurance Subsidy Pension Plan	42
Notes to Required Supplementary Information Florida Retirement System and Health Insurance Subsidy	43
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	44-45
MANAGEMENT LETTER	46-49
INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	50



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Council Members
Children's Services Council of St. Lucie County
Port St. Lucie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Children's Services Council of St. Lucie County (the "Council") as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the Council's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fort Pierce / Stuart



To the Council Members
Children's Services Council of St. Lucie County

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Council as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Schedule of the Council's Proportionate Share of the Net Pension Liability – Florida Retirement Pension Plan, Schedule of Council Contributions – Florida Retirement System Pension Plan, Schedule of the Council's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of Council Contributions – Health Insurance Subsidy Pension Plan, and Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Council Members
Children's Services Council of St. Lucie County

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2022 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Services Council of St. Lucie County internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

March 28, 2022

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

Management's discussion and analysis of the financial statements for the Children's Services Council of St. Lucie County (the "Council") provides a summary of the Council's activities for the fiscal year ended September 30, 2021. Management has prepared this Management's Discussion and Analysis, and is responsible for the completeness and fairness of this information. This discussion and analysis should be read in conjunction with the accompanying financial statements.

The accompanying financial statements include all activities and functions for which the Council has direct oversight responsibility and all funds of the Council.

FINANCIAL HIGHLIGHTS

- The assets of the Council exceeded its liabilities at the close of the fiscal year by \$7,338,332 (net position). This compares to the previous fiscal year when assets exceeded liabilities by \$6,875,099. Of this amount, \$2,050,445 is restricted in the form of capital assets and the remaining balance is available to be used to meet the Council's ongoing obligation to citizens and creditors.
- The Council's total net position increased \$463,233 from September 30, 2020 to September 30, 2021.
- The Council levies taxes through the TRIM (Truth In Millage) process established by Section 200.065, Florida Statutes. Pursuant to Section 125.601(3)(b), Florida Statutes, the Council may not adopt a millage rate to exceed .5 mills. For the fiscal year ended September 30, 2021, the millage rate was .4765 mills which produced \$10,916,598 in tax revenues compared to the previous fiscal year when tax revenues levied were \$10,256,736. Thus, \$659,862 or 6.43% more in tax revenues were received in Fiscal Year 2020/21 compared to Fiscal Year 2019/20. The Council maintained the same millage rate for 2020/21 as was adopted in the prior year.
- The millage rate approved for the Fiscal Year ending September 30, 2022 decreased to .4544 and is estimated to provide \$451,820 or 4.14% more in ad valorem revenues in Fiscal Year 2021/22 than were received for Fiscal Year 2020/21, as a result of the anticipation of accelerated property values.
- The Council had Interest and Miscellaneous Income totaling \$17,474 as described below:
 - Interest income on bank accounts of \$16,600.
 - Other miscellaneous income of \$874.

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

FINANCIAL HIGHLIGHTS (CONTINUED)

- The total cost of the Council's grant allocations for the fiscal year ended September 30, 2021 was \$9,140,807. This cost represents expenditures on local service programs and compares to \$8,723,317 expended on local service programs for the fiscal year ended September 30, 2020.
- Pursuant to Governmental Accounting Standards Board Statement No. 45 ("GASB 45"), Children's Services Council of St. County is required to calculate the annual cost of post-retirement benefits for current and future retirees. The Council considered the effects of GASB 45 post employment benefits and determined that any liability to the Council would be immaterial due to the Council policy that requires retirees to pay 100% of the cost of health insurance premiums. The Council is part of the health insurance plan of St. Lucie County, Florida, and Council employees are not a material portion of the overall County plan that includes employees of several county agencies.
- Pursuant to Governmental Accounting Standards Board Statement No. 54 ("GASB 54"), the Council reports governmental fund balances as nonspendable, restricted, committed, assigned, or unassigned.
- Pursuant to Governmental Accounting Standards Board Statement No. 68 ("GASB 68"), the Council is required to measure, recognize, and disclose its net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses relative to its participation in the Florida Retirement system.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion is intended to serve as an introduction to the basic financial statements of the Children's Services Council. The Council's basic financial statements are comprised of three integral components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. Each of these components is discussed in further detail in the following paragraphs. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private-sector business. The government-wide statements include all assets and liabilities and use the accrual basis of accounting, which provides for recording revenues when earned and recording expenses when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*. These government-wide financial statements complement rather than replace traditional fund-based financial statements.

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (Continued)

The *Statement of Net Position* is used to report all that the Council owns (assets) and owes (liabilities). The Council's assets include financial resources such as cash and receivables. Also included are capital assets such as buildings, equipment and furniture. The Council's liabilities include vendor payables, grants payable, deferred revenue, and obligations incurred in connection with the Council's operation (such as salaries payable and vacation leave/compensated absences payable). The difference between assets and liabilities is reported as *net position*.

The *Statement of Activities* presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

For financial reporting purposes, the Council is considered a special-purpose government engaged in a single governmental program. Thus, the Statement of Activities is presented utilizing the alternative format presenting a single column that reports expenses first followed by revenues.

In summary, the Statement of Net Position reports the Council's net position and the Statement of Activities reports the Council's changes in net position. The Council's net position (the difference between assets and liabilities) is one way to measure the Council's financial health or financial position. Over time, increases and decreases in the Council's net position are one indicator of whether financial health is improving or deteriorating. Other factors, such as changes in the Council's property tax base and the assessed millage rate will also, over time, help assess the overall financial health of the Council.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. *All of the funds of the Council are categorized as governmental funds.*

Governmental funds are used to report all of the Council's basic services. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides.

The Council's governmental fund statements include the *Balance Sheet*, the *Statement of Revenues, Expenditures, and Changes in Fund Balance*, and the *Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual*.

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

The governmental fund *Balance Sheet* reports only the financial assets associated with governmental activities. Financial assets include cash as well as other assets that will convert to cash in the short term such as receivables and investments. Governmental funds do not report capital assets, such as equipment and furniture, because such assets will be used in operations rather than converted to cash and are therefore not spendable.

Liabilities are also recognized in governmental funds only to the extent that they are expected to affect a government's near-term financing needs. For example, the Council's liabilities for vacation leave and special termination benefits are not reported in governmental funds until the period when payment becomes due. The difference between assets and liabilities reported in a governmental fund is known as *Fund Balance*.

Fund balance is the net resources of a government and an approximate measure of liquidity. Governmental fund balances are reported in five categories as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance includes amounts that are not available for spending, such as prepaid items and long-term investments. Restricted fund balance is the portion that reflects resources that are subject to externally enforceable legal restrictions, such as creditors or grantors. Committed fund balances are self-imposed limitations and assigned fund balances are set for an intended use; both of these fund balances may only be modified or rescinded by the governing ten-member Council by resolution. Unassigned fund balance is the portion of fund balance representing the amount that is not nonspendable, restricted, committed, or assigned. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The categorization of fund balance is intended to provide information useful to the financial statement reader in assessing the government's resource allocation plans.

The governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balance* is used to report all transactions, events, and interfund activity that increase or decrease fund balances.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund *Balance sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balance* provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to Financial Statements

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Budgetary Information

The budget is prepared and adopted after public hearings, pursuant to Section 200.065, Florida Statutes. During the year, the budget was amended for unexpected grant income.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Children's Services Council of St. Lucie County, assets exceeded liabilities by \$7,338,332 at September 30, 2021. The change in net position for the fiscal year ended September 30, 2021 was an increase of \$463,233. This increase is due to Ad Valorem revenues, Intergovernmental, Interest and Miscellaneous Income being more than the annual program allocations and operations expense needs. An expense increase occurred in Grant Allocations and Materials and Services in the amounts \$417,490 and \$83,870, respectively. An expense decrease occurred in Personnel Services and depreciation in the amounts of \$193,966 and \$24,284, respectively. Ad Valorem revenues increased \$659,862 and Interest and Miscellaneous Income decreased by \$(72,916). Intergovernmental revenues increased \$135,594.

A significant portion of the Council's net position at fiscal year-end September 30, 2021 \$5.3 million (72%) is unrestricted. The remaining \$2.1 million (28%) is invested in capital assets. At September 30, 2020, \$4.7 million or 69% of net position was unrestricted.

Deferred outflows of resources were Deferred Outflows - Pension Related at September 30, 2021, \$319,297 compared to \$384,561 at September 30, 2020.

Liabilities of the Council at year end totaled \$2,220,819 and were primarily comprised of grants payable to programs funded by the Council that are paid on a reimbursement basis the month after expenditures occur. Grants payable to programs were \$1,477,795 at September 30, 2021 compared to \$1,206,309 at September 30, 2020. The increase in grants payable was due to the timing of reimbursement request submissions. Net pension liability was \$453,415 at September 30, 2021, compared to \$1,131,414 at September 30, 2020. Other liabilities at year-end included accounts payable to vendors and accrued salaries and benefits (\$39,582) and accrued compensated absences/vacation and sick leave (\$250,027). Accounts payable and accrued salaries decreased by \$10,685, 21.3%, over prior year-end amounts and accrued compensated absences/vacation and sick leave increased by \$43,058, 20.8%, over prior year-end amounts. The decrease in accounts payable and accrued salaries is due to the timing of payroll and vendor payments at fiscal year-end. The increase in compensated absences was due to the continued longevity of the staff of the Council and the resulting increases in earned compensated absences in a given year.

Deferred inflows of resources were Deferred Inflows – Pension Related at September 30, 2021, \$582,459, compared to \$20,790 at September 30, 2020.

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

The Council had unrestricted net position (the part of net position that can be used to finance daily operations without constraints, enabling legislation, or other legal requirements) in the amount of \$5,287,887 at the end of the fiscal year. The balance of net investment in capital assets was \$2,050,445, which was invested in the office condominium building and in capital assets of office furniture and equipment. Receivables at fiscal year-end totaled \$22,181 and were primarily comprised of miscellaneous receivables from various vendors and renters. Unrestricted net position increased by \$549,890, (11.6%) over prior year-end amounts mostly due to revenues being more than expenses. Receivables decreased \$305,722 and included a decrease in due from other governments related to the Cares Act, \$218,835, and a decrease in miscellaneous receivables of \$86,887.

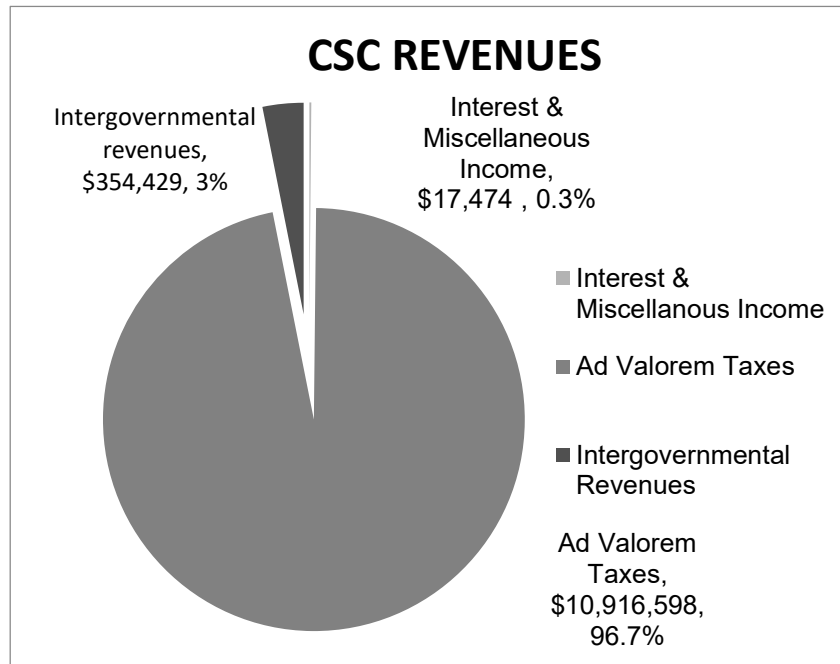
The Council's general revenues totaled \$11,288,501 for the fiscal year ended September 30, 2021. The primary source of general revenues is Ad Valorem taxes, which were \$10,916,598 or 96.7% of the total revenues. Intergovernmental revenues were \$354,429 or 3.1% of total revenues. Interest and miscellaneous income was \$17,474 or (0.2%) of total revenues. In comparison, revenues for the fiscal year ended September 30, 2020 were \$10,256,736 in ad valorem taxes and \$90,390 in interest and miscellaneous income. Thus, ad valorem taxes increased \$659,862 (6.43%) and interest and miscellaneous income decreased \$72,916 (80.7%). The increase in ad valorem taxes is due to the overall increase in countywide property values with the Council reducing its millage rate. The \$72,916 decrease in interest and miscellaneous income is due to the net effect of multiple items:

- Current year interest of \$16,600 compared to prior year interest of \$81,500 (variance of \$(64,900)).
- Current year miscellaneous income of \$874 compared to prior year miscellaneous income of \$8,890 (variance of \$(8,016)).

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Interest and miscellaneous income totaled \$17,474. This amount includes interest income of \$16,600 and miscellaneous income of \$874. The miscellaneous income of \$874 mostly includes a refund for overpayment (\$850).

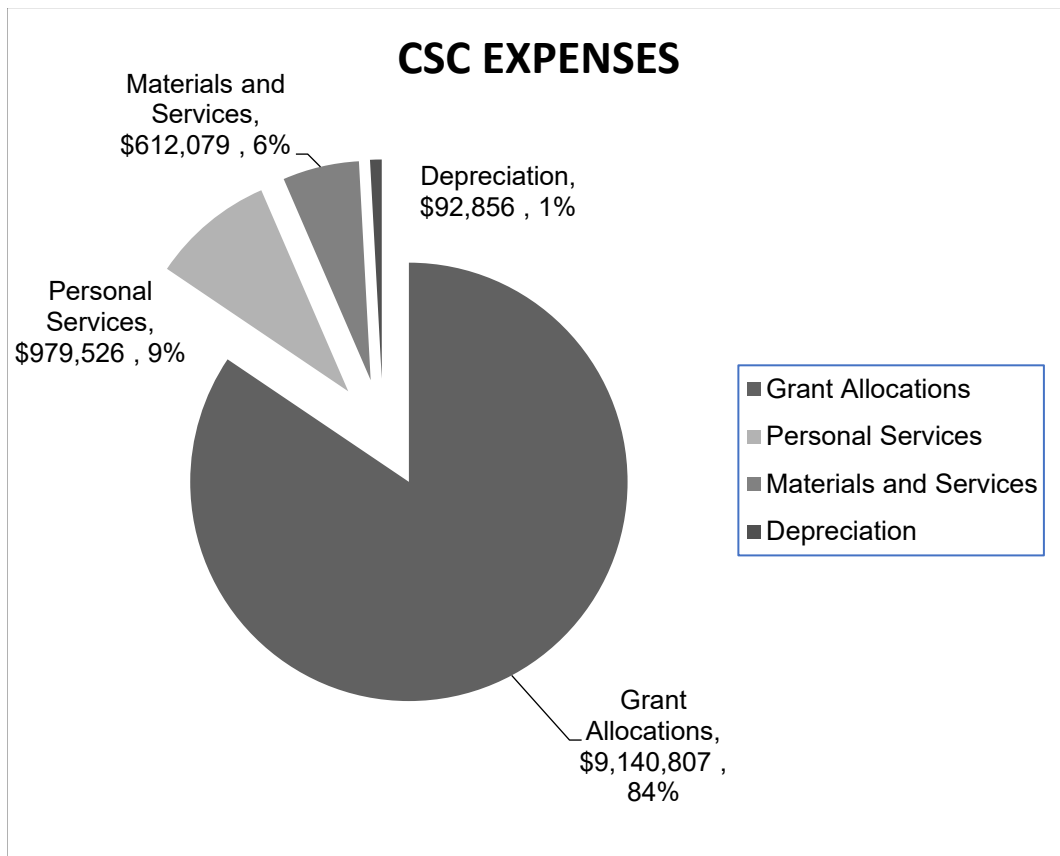


**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

The cost of grants for local program services for fiscal year-ended September 30, 2021 was \$9,140,807 or 84% of total Council expenses. The cost for local grant allocations for the fiscal year ended September 30, 2020 was \$8,723,317. Thus, local program expenditures increased by \$417,490 or 4.8% for the fiscal year reported herein.

Operational costs including both program and administrative personnel services, materials and services, and depreciation totaled \$1,684,461 (16%) of total expenses. In comparison, operational costs for the fiscal year ended September 30, 2020 were \$1,818,841 (17%) of total expenses. Operational costs decreased \$134,380.



**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND

The focus of the Council's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2021, the Council reported a general fund balance of \$6,254,491. This fund balance compares to \$5,712,609 at September 30, 2020. As required by GASB 54, the Council reports specific fund balance categories of nonspendable, restricted, committed, assigned, and unassigned. The table below presents the fund balance in these categories as utilized by Children's Services Council for September 30, 2021 and September 30, 2020.

	<u>FYE 09/30/21</u>	<u>FYE 09/30/20</u>
Nonspendable - Prepaid Items	\$ 48,391	\$ -
Committed - Cash Reserves	2,188,706	2,071,958
Committed - Disaster Recovery	110,000	110,000
Assigned - Fiscal Stabilization	1,488,324	1,339,854
Unassigned	<u>2,419,070</u>	<u>2,190,797</u>
TOTAL	<u><u>\$ 6,254,491</u></u>	<u><u>\$ 5,712,609</u></u>

Ad valorem tax revenues totaled \$10,916,598 for the fiscal year ended September 30, 2021, which is an increase of \$659,862 (6.43%) from the \$10,256,736 in ad valorem tax revenues for the prior fiscal year. Total expenditures were \$10,746,619 for the fiscal year ended September 30, 2021, which is an increase of \$438,554 (1.78%) from the \$10,308,065 for the prior fiscal year. This increase is comprised of a \$417,490 (4.8%) increase in grant allocations, a decrease in personal services of \$21,298 (2.12%), a decrease in capital outlay of \$(41,508) (87%) and an increase in materials and services of \$83,870 (15.88%).

The Council prepares budget transfers over the course of the year allocating funds from one line item to another to prevent budget overruns. The final variance between actual expenditures and the final budget was \$1,951,369 below final budget amounts. The most significant variance was an under expenditure of grant allocations in the amount of \$1,518,660 which was due to contracted programs not expending allotted funds. Total actual revenues were \$69,633 less than the final budgeted revenues. This variance was mostly due to intergovernmental revenues of \$354,429. The original budget was amended during the fiscal year for unexpected grant income.

**CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND TAX RATES

The Council is responsible for and takes considerable care in setting the budget and the tax rate each fiscal year. This task involves determining community needs and anticipating ad valorem tax revenues.

The Council periodically performs formal needs assessments to determine community need. Need, however, is inherently learned in daily communication with funded programs and involvement by Council and staff in community organizations and initiatives. Anticipating ad valorem tax revenues is complex and requires attention to the local economy, the improvement of property in the community, and communication with the property appraiser. Ad Valorem revenues for the fiscal year reported herein indicate increasing property values. A change in the current economic climate is difficult to predict. However, it is hopeful that Ad Valorem revenues at the current millage rate continue to improve in the near future years. The Council has maintained the provision of children's services through its funded programs. The Council is committed to continue funding children's programs. Children's Services Council has approved budgets that maintain or minimize change in program funding by utilizing fund balance.

Maintenance and enhancement of programming in future years will be dependent on the availability of funds from annual revenue streams and reserves.

The Council approved a budget utilizing a .4544 millage rate for the fiscal year ending September 30, 2022. This rate was decreased from the rate levied for the fiscal year ended September 30, 2021, .4765. It is anticipated that the .4544 millage rate will provide \$451,820 or 4.14% more in revenues in Fiscal Year 2021/22 than was received for Fiscal Year 2020/21.

The Council will continue its vigilance in assessing needs and resources in the community.

The Children's Services Council of St. Lucie County operates in accordance with Chapter 125.901 of the Florida Statutes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Children's Services Council of St. Lucie County. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Children's Services Council of St. Lucie County; 546 NW University Blvd., Suite 201; Port St. Lucie, Florida 34986. Further information about the Children's Services Council of St. Lucie County can be found on the Council website: www.cscslc.org.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
STATEMENT OF NET POSITION
September 30, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$ 7,701,296
Receivables	22,181
Prepaid expenses	48,391
Total Current Assets	<u>7,771,868</u>

Non Current Assets

Capital assets depreciated, net of accumulated depreciation (\$1,237,090)	<u>2,050,445</u>
---	------------------

Total Assets	<u>9,822,313</u>
--------------	------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>319,297</u>
---------------------------------------	----------------

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	39,582
Grants payable	1,477,795
Current portion of accrued compensated absences	37,515
Total Current Liabilities	<u>1,554,892</u>

Non-current liabilities:

Accrued compensated absences, due in more than one year	212,512
Net pension liability	453,415
Total Non-current Liabilities	<u>665,927</u>
Total Liabilities	<u>2,220,819</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>582,459</u>
--------------------------------------	----------------

NET POSITION

Net investment in capital assets	2,050,445
Unrestricted	<u>5,287,887</u>

Total Net Position	<u><u>\$ 7,338,332</u></u>
--------------------	----------------------------

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Expenses

Human Services - Children's Services

Grant allocations	\$ (9,140,807)
Personal services	(979,526)
Materials and services	(612,079)
Depreciation	(92,856)
	<hr/>

Total Human Services - Children's Services	<hr/> (10,825,268)
--	--------------------

General Revenues

Ad Valorem taxes	10,916,598
Intergovernmental revenues	354,429
Interest income	16,600
Miscellaneous income	874
	<hr/>

Total General Revenues	<hr/> 11,288,501
------------------------	------------------

Change in Net Position	463,233
------------------------	---------

Net Position - October 1, 2020	<hr/> 6,875,099
--------------------------------	-----------------

Net Position - September 30, 2021	<hr/> <hr/> \$ 7,338,332
-----------------------------------	--------------------------

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
BALANCE SHEET – GENERAL FUND
September 30, 2021

ASSETS

Cash and cash equivalents	\$ 7,701,296
Receivables	22,181
Prepaid expenses	<u>48,391</u>
 Total Assets	 <u><u>\$ 7,771,868</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 39,582
Grants payable	<u>1,477,795</u>
 Total Liabilities	 <u>1,517,377</u>

Fund Balances:

Nonspendable for prepaid expenses	48,391
Committed to:	
Cash reserves	2,188,706
Disaster recovery	110,000
Assigned to:	
Projected deficit	1,488,324
Unassigned	<u>2,419,070</u>
Total Fund Balances	<u>6,254,491</u>

Total Liabilities and Fund Balances	<u><u>\$ 7,771,868</u></u>
-------------------------------------	----------------------------

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Reconciliation of the Balance Sheet of Government Funds to the
Statement of Net Position.

Total fund balances - governmental funds.	\$ 6,254,491
Net capital assets are not current financial resources and, therefore, are not reported in governmental funds.	2,050,445
On the Statement of Net Position, the Council's proportionate share of the net pension liability of the cost-sharing defined benefit pension plans which the Council participates is reported as a noncurrent liability.	(453,415)
Deferred outflows of resources related to pension are not current resources and are, therefore, reported on the Statement of Net Position and not the funds level statement.	319,297
Deferred inflows of resources related to pension are reported on the Statement of Net Position and not the funds level statement.	(582,459)
Accrued compensated absences are not due and payable in the current period and are not reported in governmental funds.	<u>(250,027)</u>
Net Position of Governmental Activities	<u><u>\$ 7,338,332</u></u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND
For the Year Ended September 30, 2021

	<u>General</u>
Revenues	
Ad Valorem taxes	\$ 10,916,598
Intergovernmental revenues	354,429
Interest income	16,600
Miscellaneous income	874
Total Revenues	<u>11,288,501</u>
Expenditures	
Current:	
Human Services	
Grant allocations	9,140,807
Personal services	987,534
Materials and services	612,079
Capital outlay	6,199
Total Expenditures	<u>10,746,619</u>
Net change in fund balance	541,882
Fund Balances - October 1, 2020	<u>5,712,609</u>
Fund Balances - September 30, 2021	<u><u>\$ 6,254,491</u></u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of Governmental Funds to the Statement of Activities

Net change in fund balance of governmental funds.	\$ 541,882
Governmental funds report capital outlay as an expenditure. In the Statement of Activities the cost of certain assets are allocated over their estimated useful lives and reported as depreciation. This is the amount that depreciation (\$92,856)) exceeded capital outlay (\$6,199) in the current period.	(86,657)
Government funds report contributions to defined benefit plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit plans reduces future net pension liability and is reported as part of deferred outflows of resources.	(65,264)
In the Statement of Activities, pension expense is recorded for the Council's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the Council participate. Also included in the pension expense are amounts required to be amortized in accordance with GASB Statement No. 68.	116,330
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net increase in the compensated absences.	(43,058)
Change in Net Position of Governmental Activities	<u>\$ 463,233</u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GENERAL FUND – BUDGET AND ACTUAL
For the Year Ended September 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Ad Valorem taxes	\$ 10,791,364	\$ 10,791,364	\$ 10,916,598	\$ 125,234
Intergovernmental revenues	25,000	535,000	354,429	(180,571)
Interest income	30,000	30,000	16,600	(13,400)
Miscellaneous income	1,770	1,770	874	(896)
Total Revenues	10,848,134	11,358,134	11,288,501	(69,633)
EXPENDITURES				
Current:				
Human Services				
Grant allocations	10,149,467	10,659,467	9,140,807	1,518,660
Salaries	747,151	747,151	691,258	55,893
Payroll taxes	57,505	57,505	50,517	6,988
Florida retirement contributions	93,883	93,883	89,664	4,219
Health benefits	189,954	189,954	145,877	44,077
Life insurance	5,187	5,187	3,310	1,877
Workers' compensation	3,000	3,000	1,559	1,441
Deferred compensation	5,346	5,346	5,349	(3)
Collection expense	379,131	379,131	361,624	17,507
Professional services	117,712	117,712	80,675	37,037
Travel expenses	26,200	26,200	8,802	17,398
Rent/occupancy	43,050	43,050	39,647	3,403
Equipment/building maintenance	37,134	37,134	23,031	14,103
Office expenses	121,110	121,110	34,324	86,786
Communications	30,863	30,863	28,413	2,450
Utilities	16,400	16,400	12,072	4,328
Continuing education	7,330	7,330	1,850	5,480
Postage	920	920	-	920
Publications	5,500	5,500	11	5,489
Contingency	90,000	90,000	-	90,000
Dues and membership	16,215	16,215	15,092	1,123
Advertising	2,350	2,350	10	2,340
Books and subscriptions	730	730	-	730
Insurance and bonds	8,850	8,850	6,528	2,322
Equipment improvement	33,000	33,000	6,199	26,801
Total Expenditures	12,187,988	12,697,988	10,746,619	1,951,369
Net Change in Fund Balances	(1,339,854)	(1,339,854)	541,882	1,881,736
Fund Balances - October 1, 2020	1,339,854	1,339,854	5,712,609	4,372,755
Fund Balances - September 30, 2021	\$ -	\$ -	\$ 6,254,491	\$ 6,254,491

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Children's Services Council of St. Lucie County (the "Council") is a special independent taxing district established under County Ordinance 90-41 in 1990 to improve the quality of life for all children in St. Lucie County; its boundaries being coterminous with those of the county. The Council is governed by a ten-member council which consists of the Superintendent of Schools, a local School Board member, the Circuit Administrator from Circuit XIX from the Florida Department of Children and Families or his designee; one member of the Board of County Commissioners, and the Judge assigned to juvenile cases. The remaining five members are appointed by the Governor for four year terms. The Council operates in accordance with Section 125.901, Florida Statutes.

The Council follows the standards promulgated by GASB Codification Section 2100, *Defining the Financial Reporting Entity*. The accompanying financial statements include all operations over which the Council is financially accountable.

The Council provides funding to various agencies, however, each agency is financially independent. The Council has no authority to appoint or hire management of the agencies nor does it have responsibility for routine operations of the agencies. Based upon application of these factors, the Council has concluded that it has no financial oversight responsibility for the various agencies and, therefore their financial statements are excluded from the reporting entity. The Council has not identified any component units and is not a participant in any joint ventures.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Council.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Council reports the following major governmental fund:

General Fund: The government's primary operating fund. It accounts for all financial resources of the general government.

Budgets and Budgetary Accounting

The budget is prepared and adopted after public hearings, pursuant to Section 200.065 of the Florida Statutes. The budget was adopted by the Council for the General Fund for the period October 1, 2020 through September 30, 2021 utilizing generally accepted accounting principles. Throughout the year, the Council approved several budget transfers.

Capital Assets

Capital assets (property and equipment) are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Property and equipment of the Council is depreciated using the straight-line method over the estimated useful lives of three to forty years.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes for the current year were collected by the St. Lucie County Tax Collector and subsequently remitted to the Council. Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1. Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the St. Lucie County Property Appraiser and St. Lucie County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit Children's Services Council to levy property taxes at a rate of up to .5 mills (\$.50 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Council for the year ended September 30, 2021 was .4765 mills.

The tax levy of the Council is established by the Council prior to October 1 of each year, and the St. Lucie County Property Appraiser incorporates the millage into the tax levy, for the County. All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

All real and tangible personal property taxes are due and payable on November 1, each year or as soon as practicable thereafter as the assessment roll is certified by the St. Lucie County Property Appraiser. The County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the Council. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by the County are provided for in the laws of Florida. There were no material delinquent property taxes at September 30, 2021.

Pensions

In the government-wide statement of net position, liabilities are recognized for the Council's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deduction from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, defined benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

All regular employees accrue one sick day per month. Employees with up to five years of service accrue one vacation day per month. Those exceeding five years of service accrue up to 1.25 days per month and employees with over ten years accrue up to 1.67 days per month. In the event of termination, an employee is reimbursed for unused accumulated vacation leave. Accrued sick leave is only reimbursable to voluntary terminations.

Cash and Cash Equivalents

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash on hand and in banks, and cash placed with the State Board of Administration LGIP fund.

Governmental Fund Balance

The Council has adopted GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Governmental fund balances are reported as non-spendable, restricted, committed, assigned and unassigned. Only the governing ten-member council may modify or rescind a fund balance commitment, by resolution. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The committed to cash reserves fund balance is determined annually and is calculated as 17% of the annual budgeted operating expenses.

The committed to disaster recovery fund balance is based annually on providing \$200,000 for disaster recovery. The committed amount is this \$200,000 amount less the amount included in the current budget as contingency expense.

The assigned fiscal stabilization fund balance is determined annually based on projected deficits of the annual budget projections for one year subsequent to the current fiscal year.

NOTE B – DEPOSITS AND INVESTMENTS

Statement of Policy

The purpose of the Council's investment policy is to set forth the investment objectives and parameters for the management of public funds, the availability of operating funds when needed, and an investment return competitive with market rates.

The Council's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under control of local governments and special districts. The policy and any subsequent revisions are approved by the Council Members.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits

Banks qualified as public depositories under Florida law hold cash deposits of the Council. In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. As of September 30, 2021, the Council's bank balance and carrying value was \$7,443,786.

The cash balance of the Council also included \$257,510 at September 30, 2021 in Florida PRIME.

Investments

The Council's investments are limited to investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirement that would limit daily access to 100 percent of the account value.

The Council categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Council uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the Council's own data in measuring unobservable inputs.

As of September 30, 2021, the Council did not hold any investments that meet the criteria described above.

Interest Rate Risk

Section 218.415, Florida Statutes limits investments to high quality investments to control interest rate risk.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Section 218.415, Florida Statutes limits investments to high quality investments to control credit risk. As of September 30, 2021, all of the Council's investments were rated AAAm by Standard & Poor's and had a weighted average days to maturity of 49 days at September 30, 2021.

Concentration of Credit Risk

The Council places no limit on the amount it may invest in any one fund. The Council's investments are concentrated in Florida PRIME Local Government Surplus (100%).

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the council will not be able to recover the value if its investment or collateral securities that are in possession of an outside party.

NOTE C – RECEIVABLES

The majority of receivables are due from other governmental agencies. The Council has determined that an allowance for doubtful accounts is not necessary.

Receivables at September 30, 2021 consisted of the following:

Other receivables	<u><u>\$ 22,181</u></u>
-------------------	-------------------------

NOTE D – CHANGES IN CAPITAL ASSETS

A summary of changes in Capital Assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture and equipment	\$ 242,199	\$ 6,199	\$ -	\$ 248,398
Buildings	3,039,137	-	-	3,039,137
Accumulated depreciation	<u>(1,144,234)</u>	<u>(92,856)</u>	<u>-</u>	<u>(1,237,090)</u>
Capital Assets, Net	<u><u>\$ 2,137,102</u></u>	<u><u>\$ (86,657)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,050,445</u></u>

Depreciation, \$92,856, was charged to Human Services.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE E – NON-CURRENT LIABILITIES

A summary of changes in Non-Current Liabilities follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated absences	\$ 206,969	\$ 81,723	\$ 38,665	\$ 250,027

NOTE F – OPERATING LEASE COMMITMENTS

The Council leases two copiers under operating leases. The lease term for the copiers is 63 months beginning March 2020 and requires monthly lease payments of \$196. Equipment rent expense for the year ended September 30, 2021, was \$3,713 of which \$2,352 related directly to the non-cancelable operating leases. Future minimum lease payments by fiscal year are as follow:

Year Ending, September 30,	Copiers
2022	\$ 2,352
2023	2,352
2024	2,352
2025	1,764
Total	\$ 8,820

NOTE G – FLORIDA RETIREMENT SYSTEM

General Information about the Florida Retirement System

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple- employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

All regular employees of the Council are required to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.mvflorida.com).

The Council's pension expense totaled \$42,219 for the fiscal year ended September 30, 2021.

FRS Pension Plan

Plan Description. The FRS Pension Plan (the "Plan") is a cost-sharing multiple-employer defined benefit pension plan, with DROP for eligible employees. The general classes of membership are as follows: *Regular Class* – Members of the FRS who do not qualify for membership in the other classes and *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011 vest at 6 years of creditable service, and employees enrolled in the Plan on or after July 1, 2011 vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u><i>Class, Initial Enrollment, and Retirement Age/Years of Service</i></u>	<u><i>% Value</i></u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-21 fiscal year were as follows:

Class	July 1, 2020		July 1, 2021	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00%	10.00%	3.00%	10.82%
FRS, Senior Management Service	3.00%	27.29%	3.00%	29.01%

Notes: (1) Employer rates include 1.66 percent and 1.66 percent for the postemployment health insurance subsidy for the period October 1, 2020 through June 30, 2021 and July 1, 2021 through September 30, 2021, respectively. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the investment plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The Council's contributions to the Plan totaled \$72,745 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the Council reported a liability of \$162,882 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Council's proportionate share of the net pension liability was based on the Council's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Council's proportionate share was 0.002156 percent, which was an increase of 0.00019 percent from its proportionate share measured as of June 30, 2020.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

For the fiscal year ended September 30, 2021, the Council recognized pension expense of \$17,288 related to the Plan. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,918	-
Change of assumptions	111,452	-
Net difference between projected and actual earnings on Pension Plan investments	-	(568,255)
Changes in proportion and differences between the Council's Pension Plan contributions and proportionate share of contributions	92,222	(81)
Council's Pension Plan contributions subsequent to the measurement date	24,274	-
Total	<u>\$ 255,866</u>	<u>\$ (568,336)</u>

The deferred outflows of resources related to pensions, totaling \$24,274, resulting from Council contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to change of assumptions for pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (51,754)
2023	(66,018)
2024	(96,516)
2025	(131,050)
2026	8,594
Thereafter	-

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table with Scale MP-2018.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study dated December 20, 2019.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.4%	1.2%

(1) As outlined in the Pension Plan's investment policy

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 6.80 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Council's proportionate share of the net pension liability	\$ 728,420	\$ 162,882	\$ (309,844)

FRS Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan. At September 30, 2021, the Council reported a payable of \$2,891 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a non-qualified, cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees and surviving beneficiaries of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 was 1.66% and 1.66%, respectively. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Council's contributions to the HIS Plan totaled \$11,822 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the Council reported a net pension liability of \$290,533 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Council's proportionate share of the net pension liability was based on the Council's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the Council's proportionate share was 0.0023685 percent, which was an increase of 0.000047 percent from its proportionate share measured as of June 30, 2020.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

For the fiscal year ended September 30, 2021, the Council recognized pension expenses of \$24,931 related to the HIS Plan. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,722	\$ (122)
Change of assumptions	22,829	(11,971)
Net difference between projected and actual earnings on HIS Plan investments	303	-
Changes in proportion and differences between the Council's HIS Plan contributions and proportionate share of contributions	26,758	(2,030)
Council's HIS Plan contributions subsequent to the measurement date	<u>3,819</u>	<u>-</u>
Total	<u><u>\$ 63,431</u></u>	<u><u>\$ (14,123)</u></u>

The deferred outflows of resources related to pensions, totaling \$3,819 resulting from Council contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to change of assumptions for pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 13,382
2023	8,212
2024	7,595
2025	8,744
2026	6,221
Thereafter	1,334

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	2.16 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study date December 4, 2020.

Discount Rate. The discount rate used to measure the total pension liability was 2.16 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Council's proportionate share of the net pension liability	\$ 335,884	\$ 290,533	\$ 253,377

HIS Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan. At September 30, 2021, the Council reported a payable of \$469 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

FRS – Defined Contribution Pension Plan. The Council contributes to the FRS Investment Plan (the "Investment Plan"), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Council employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class and Senior Management Class), as the FRS-defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2020-21 fiscal year were as follows: Regular class, 10.82 percent and Senior Management class, 29.01 percent.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Council.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE G – FLORIDA RETIREMENT SYSTEM (CONTINUED)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Council's Investment Plan contributions totaled \$8,718 for the fiscal year ended September 30, 2021.

Payables to the Defined Contribution Pension Plan. At September 30, 2021, the Council reported a payable of \$456 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2021.

Pension Plan expenditures for employees of the Executive Roundtable of St. Lucie County that are covered under the Council's FRS Pension Plans are reported net of related reimbursements in the financial statements; however, expenditures are reported gross in the notes to the financial statements.

NOTE H – RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council purchases commercial insurance coverage to cover the various risks. There have been no significant reductions in insurance coverage and there were no settled claims which exceeded insurance coverage in the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Council's proportion of the net pension liability *	0.002156%	0.001957%	0.001771%	0.001748%	0.001706%	0.001582%	0.001591%	0.0016351%
Council's proportionate share of the net pension liability *	\$ 162,882	\$ 847,985	\$ 609,758	\$ 526,533	\$ 504,768	\$ 399,471	\$ 205,540	\$ 99,778
Council's covered payroll *	696,223	671,177	615,166	586,745	686,482	602,872	550,885	404,456
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.40%	126.34%	99.12%	89.74%	73.53%	66.26%	37.31%	24.67%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of June 30

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 81,463	\$ 65,340	\$ 59,967	\$ 52,541	\$ 52,603	\$ 48,547	\$ 46,013	\$ 41,731
Contributions in relation to the contractually required contribution	<u>(81,463)</u>	<u>(65,340)</u>	<u>(59,967)</u>	<u>(52,541)</u>	<u>(52,603)</u>	<u>(48,547)</u>	<u>(46,013)</u>	<u>(41,731)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered-employee payroll	\$ 712,191	\$ 649,781	\$ 615,524	\$ 610,118	\$ 661,929	\$ 622,651	\$ 561,085	\$ 555,609
Contributions as a percentage of covered-employee payroll	11.44%	10.06%	9.74%	8.61%	7.95%	7.80%	8.20%	7.51%

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

See accompanying notes to required supplementary information.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Council's proportion of the net pension liability *	0.002369%	0.002321%	0.002219%	0.002112%	0.002154%	0.001953%	0.001816%	0.001878%
Council's proportionate share of the net pension liability *	\$ 290,533	\$ 283,429	\$ 249,727	\$ 223,543	\$ 230,282	\$ 227,601	\$ 185,186	\$ 175,590
Council's covered payroll *	696,223	671,177	615,166	586,745	686,482	602,872	550,885	404,456
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.73%	42.23%	40.60%	38.10%	33.55%	37.75%	33.62%	43.41%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of June 30

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

See accompanying notes to required supplementary information.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 11,822	\$ 10,786	\$ 10,218	\$ 10,128	\$ 10,988	\$ 10,336	\$ 7,665	\$ 7,556
Contributions in relation to the contractually required contribution	<u>(11,822)</u>	<u>(10,786)</u>	<u>(10,218)</u>	<u>(10,128)</u>	<u>(10,988)</u>	<u>(10,336)</u>	<u>(7,665)</u>	<u>(7,556)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered-employee payroll	\$ 712,191	\$ 649,781	\$ 615,524	\$ 610,118	\$ 661,929	\$ 622,651	\$ 561,085	\$ 555,609
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.37%	1.36%

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

CHILDREN'S SERVICES COUNCIL OF ST. LUCIE COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY
September 30, 2021

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

1. Actuarial assumptions for defined benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually, whereas the HIS Program has a valuation performed biennially which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study for the pension plan was completed in 2019 for the period of July 1, 2013 through June 30, 2018.
2. Method and assumptions used in calculation of actuarially determined contributions:

FRS Pension Plan

Valuation Date	July 1, 2020	July 1, 2021
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	6.80%	6.80%
Investment Rate of Return	6.80%	6.80%
Projected Salary Increases	3.25%	3.25%
Rate of Inflation Adjustment	2.40%	2.40%
Mortality assumption:	PUB2010 base table with Scale MP-2018	PUB2010 base table with Scale MP-2018

HIS Program

Valuation Date	July 1, 2020	July 1, 2020
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	2.21%	2.16%
Investment Rate of Return	N/A	N/A
Projected Salary Increases	3.25%	3.25%
Rate of Inflation Adjustment	2.40%	2.40%
Mortality assumption:	PUB2010 base table with Scale MP-2018	PUB2010 base table with Scale MP-2018



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Council Members
Children's Services Council of St. Lucie County
Port St. Lucie, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Children's Services Council of St. Lucie County (the "Council"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Children's Services Council of St. Lucie County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Children's Services Council of St. Lucie County's internal control. Accordingly, we do not express an opinion on the effectiveness of Children's Services Council of St. Lucie County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Council Members
Children's Services Council of St. Lucie County

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children's Services Council of St. Lucie County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

March 28, 2022



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

MANAGEMENT LETTER

To the Council Members
Children's Services Council of St. Lucie County
Fort Pierce, Florida

Report on the Financial Statements

We have audited the financial statements of the Children's Services Council of St. Lucie County as of and for the year ended September 30, 2021, and have issued our report thereon dated March 28, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Children's Services Council of St. Lucie County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Children's Services Council of St. Lucie County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



To the Council Members
Children's Services Council of St. Lucie County

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2021 for Children's Services Council of St. Lucie County. It is management's responsibility to monitor the Children's Services Council of St. Lucie County's financial condition, and our financial condition assessment was based in part on representations made by management and of review of financial information provided by the same as of September 30, 2021.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

The information below was provided by management and has not been audited by us; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, Children's Services Council of St. Lucie County reported:

- 1) The total number of council employees compensated in the last pay period of the Council's fiscal year: 13
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year: The Council did not pay nonemployee independent contractors in September 2021.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: Total Salary = \$691,258
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: The Council did not pay any nonemployee independent contractors in Fiscal Year 2021.
- 5) Each construction project with a total cost of at least \$65,000 approved by the Council that is scheduled to begin on or after October 1, 2020, together with the total expenditures for such project: The Council has no construction projects at this time.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: See below.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, Children's Services Council of St. Lucie County reported:

- 7) The millage rate of ad valorem special assessments imposed by the Council as: 0.4765 mils.
- 8) The total amount of ad valorem special assessments collected by or on behalf of the Council as: The Council collected total special assessments of \$10,916,598.
- 9) The total amount of outstanding bonds issued by the Council and the terms of such bonds: N/A – no outstanding bonds.

To the Council Members
Children's Services Council of St. Lucie County

	BUDGETED AMOUNTS ORIGINAL	ACTUAL AMOUNTS	VARIANCE WITH ORIGINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Ad Valorem taxes	\$ 10,791,364	\$ 10,916,598	\$ 125,234
Intergovernmental revenues	25,000	354,429	329,429
Interest income	30,000	16,600	(13,400)
Miscellaneous income	1,770	874	(896)
Total Revenues	10,848,134	11,288,501	440,367
EXPENDITURES			
Current:			
Human Services			
Grant allocations	10,149,467	9,140,807	1,008,660
Salaries	747,151	691,258	55,893
Payroll taxes	57,505	50,517	6,988
Florida retirement contributions	93,883	89,664	4,219
Health benefits	189,954	145,877	44,077
Life insurance	5,187	3,310	1,877
Workers' compensation	3,000	1,559	1,441
Deferred compensation	5,346	5,349	(3)
Collection expense	379,131	361,624	17,507
Professional services	117,712	80,675	37,037
Travel expenses	26,200	8,802	17,398
Rent/occupancy	43,050	39,647	3,403
Equipment/building maintenance	37,134	23,031	14,103
Office expenses	121,110	34,324	86,786
Communications	30,863	28,413	2,450
Utilities	16,400	12,072	4,328
Continuing education	7,330	1,850	5,480
Postage	920	-	920
Publications	5,500	11	5,489
Contingency	90,000	-	90,000
Dues and membership	16,215	15,092	1,123
Advertising	2,350	10	2,340
Books and subscriptions	730	-	730
Insurance and bonds	8,850	6,528	2,322
Equipment improvement	33,000	6,199	26,801
Total Expenditures	12,187,988	10,746,619	1,441,369
Excess of revenues over/(under) expenditures	(1,339,854)	541,882	1,881,736
Fund Balances - October 1, 2020	1,339,854	10,491,499	9,151,645
Fund Balances - September 30, 2021	\$ -	\$ 11,033,381	\$ 11,033,381



To the Council Members
Children's Services Council of St. Lucie County

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

March 28, 2022



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Council Members
Children's Services Council of St. Lucie County
Port St. Lucie, Florida

We have examined Children's Services Council of St. Lucie County's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2021. Management is responsible for Children's Services Council of St. Lucie County's compliance with those requirements. Our responsibility is to express an opinion on Children's Services Council of St. Lucie County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Children's Services Council of St. Lucie County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Children's Services Council of St. Lucie County's compliance with the specified requirements.

In our opinion, Children's Services Council of St. Lucie County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

March 28, 2022